

HOUSE FINANCE, WAYS AND MEANS COMMITTEE AMENDMENT #1

AMENDMENT NO. _____

Signature of Sponsor

AMEND Senate Bill No. 445

House Bill No. 342*

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

by deleting all language following the enacting clause and substituting instead the following:

Section 1. Tennessee Code Annotated, Section 67-4-811, is amended by deleting subsection (a) in its entirety and substituting instead the following:

(a) Except as may otherwise be provided in this part, all business earnings shall be apportioned to this state by multiplying the earnings by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three (3); provided, however, for tax years beginning on or after December 15, 1997, the numerator of such fraction shall be the property factor plus the payroll factor plus one and one-half (1.50) times the sales factor and the denominator of such fraction shall be three and one-half (3.50); and for tax years beginning on or after December 15, 1998, the numerator of such fraction shall be the property factor plus the payroll factor plus twice the sales factor and the denominator of such fraction shall be four (4).

Section 2. Tennessee Code Annotated, Section 67-4-910, is amended by deleting subsection (a) in its entirety and substituting instead the following:

(a) Except as may otherwise be provided in this part, the capital stock, surplus and undivided profits shall be apportioned to this state by multiplying such values by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three (3); provided, however, for tax years beginning on or after December 15, 1997, the numerator of such fraction shall be the property factor plus the payroll factor plus

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one and one-half (1.50) times the sales factor and the denominator of such fraction shall be three and one-half (3.50); and for tax years beginning on or after December 15, 1998, the numerator of such fraction shall be the property factor plus the payroll factor plus twice the sales factor and the denominator of such fraction shall be four (4).

Section 3. This act shall take effect upon becoming a law, the public welfare requiring it.